

MCGILL ADVISORS, INC.

1st Quarter 2017 – Invoice Letter

As we begin the 1st Quarter of 2017, it's very important to make sure you are utilizing all available tax and financial planning investment strategies.

For our clients who are Trustees of their own retirement plans, we highly recommend promptly completing your year-end census information and reporting to your Third Party Administrator. This should allow more timely completion of your year-end report and any receivable due to the retirement plan.

If you have a 401k plan, make sure to take advantage of the maximum contribution limits which remains at \$18,000 for 2017. The “catch-up” provision to 401k plans for individuals over the age of 50 remains at \$6,000 for 2017. Therefore, an individual over the age of 50 will be able to defer \$18,000 and a “catch-up” deferral of \$6,000 for a total of \$24,000!

Each year, we continue to see more clients setting up Health Savings Accounts (HSA) and the maximum deductible contribution for 2017 has increased to \$3,400 for Self-Only Plans and remains at \$6,750 for Family Coverage Plans.

We always recommend funding either a regular non-deductible IRA or a Roth IRA for you and your spouse, depending on your tax situation. You should fund it during the first quarter of the year to maximize the tax deferred compounding of IRAs. For 2017, the IRA contribution limit remains the same at \$5,500 and individuals over the age of 50 are allowed an additional “catch-up” contribution of \$1,000, for a total contribution limit of \$6,500.

Don't forget about the Coverdell Education Savings Account (formally Education IRA) for your children and/or grandchildren. The Coverdell ESA limit for 2017 remains the same at \$2,000 and you have up to your tax filing date or April 15th to make your 2016 contribution.

Please remember to inform your CPA of any IRA contributions you make, so they can properly reflect your contribution on Form 8606. Each year, we review many tax returns and continue to find the Form 8606 missing or wrong. This is the form that must be used when calculating the taxable portion of IRA distributions during your retirement or if converting to a Roth IRA.

Charles Schwab and TD Ameritrade are required to report cost basis information on your 1099 statements. Remember to save and provide your 1099 statements to your CPA. Your 1099 information is also available on Schwab's and TD Ameritrade's websites.

Once you complete your 2016 tax return, please have your CPA email us a copy, so we can assist you in utilizing available tax strategies, such as tax loss harvesting, charitable giving and Roth conversion strategies as we plan for 2017.

Thanks again for the opportunity to work with you and to assist you with your investments and financial planning matters this year.

Sincerely yours,



McGill Advisors, Inc.
Wealth Management Team

Enclosures